

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 74 - SB 1101

February 22, 2019

SUMMARY OF BILL: Creates a process by which a property owner may appeal a decision of a housing authority concerning a transit-oriented redevelopment project (TORP) to a legislative appeal board. Authorizes the limitation of the amount of tax increment financing revenues which may be set aside for administrative expenses in certain circumstances.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Tennessee Code Annotated § 13-20-704(a)(1) provides that a housing authority shall not initiate any TORP until the governing body of the applicable municipality has approved the TORP.
- According to the Tennessee Association of Housing Redevelopment Authorities, no TORPs have ever been approved by a municipal governing body.
- The proposed legislation creates a legislative appeal board consisting of the municipal governing body and members of the General Assembly who represent the area where the TORP is located. The legislative appeal board is required to meet quarterly, unless no appeal has been filed.
- Meetings of the legislative appeal board are required to be held in a location convenient to all parties. Meetings will be held in the district of the TORP. Legislative members are not paid a per diem or reimbursed for mileage for meetings occurring within their districts.
- Pursuant to Tenn. Code Ann. § 9-23-102(18), the term "tax increment revenues" means incremental property tax revenues to be allocated by a taxing agency to a tax increment agency.
- Pursuant to Tenn. Code Ann. § 9-23-105, up to five percent of tax increment revenues may be set aside for expenses associated with the administration of the revenues. The proposed legislation would limit this amount to no more than 3 percent when the tax increment financing is for a TORP in an amount of \$1,000,000 or more. This would cause a two percent decrease of such property tax revenue available to a TORP and a two percent increase available for the general purposes of the local entity. No change in local government revenue.
- Limiting the amount of revenue which may be utilized for administrative purposes will not result in any significant fiscal impact to local government.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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